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09/487,233	01/19/2000	Scott D. Cook	3878	292

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EXAMINER

DASS, HARISH T

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 03/11/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/487,233

Applicant(s)

COOK ET AL.

Examiner

Harish T Dass

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 December 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-55,57-66,68-83 and 85-101 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-55,57-66,68-83 and 85-101 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: _____.

DETAILED ACTION

Claims 56, 67 & 84 are canceled.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-3, 8-10, 20-29, 46, 59-66, 68, 72, & 85-88 remain rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter, particularly, an abstract idea.

Applicant failed to disclose which step or series of steps in a claim is/are performed by a computer.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-7 & 66, 68-70 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deming (US Patent 4,823,264) in view of Thomas et al (hereinafter Thomas, US 6173,272) and Chang et al (hereinafter Chang - US 5,884,288).

Re. Claim 1, Deming discloses an electronic fund transfer (EFT) system/method/computer from payer's account to Payee or to Payee's account using National Automated clearing House Association (ACH) facility, [see entire document particularly, Abstract; C3 L3-L12], and receiving from the sender an amount of a funds transfer, a designation of a source account for the funds transfer, and contact information of the receiver sufficient for contacting the receiver, without receiving from the sender a designation of a target account of the receiver (payee's RTN not available) [C2 L33 to C3 L2; C3 L63 to C4 L11]; instructing an automated clearinghouse (ACH) member to effect a number of ACH entries to cause the transfer of funds from the source account to the target account [C3 L3-L29; C3 L63 to C4 L11; C4 L30-L59], wherein instructing the ACH member to effect a number of ACH entries comprises: instructing the ACH member to effect an ACH debit from the sender's source account to a third party (payor financial institution) financial account (fund is moved to payor's financial institution's designated data processor which can be an account), and instructing the ACH member to effect an ACH credit from the third party (payee financial institution) financial account to the receiver's target account [C3 L13-L29]. Deming, explicitly, does not disclose receiving from the receiver the designation of the target account for receiving the funds from the sender. However, Thomas discloses receiving from the receiver the designation of the target account for receiving the funds from the sender [Abstract; Figure 1, 2A, 3, 7; C3 L45 to C5 L34; C15 L1-L30]. Additionally, Chang discloses instructing the ACH member to effect an ACH debit from the sender's

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source account to a third party (payor bank) financial account, and instructing the ACH member to effect an ACH credit from the third party (payee bank) financial account to the receiver's target account [Abstract; Figures 1A-1C, 5-6, 8B; C1 L13 to C2 L41; C4 L13-L51; C7 L45-L62; C8 L13-L38; C10 L27-L49]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Deming, Thomas and Chang to enable the payer to initiate a cost effective electronic bill payment through third party (not the payor/payee) and ACH without knowledge of a special identifier corresponding to the biller's bank and account number from a particular source account or just knowing the payee address and payee code (customer account number) and make saving by minimizing hardware/software use.

Re. Claims 2-3 Deming discloses wherein the designation of the source account includes a routing/transit number and an account number (payor's routing and transfer number - RTN) [C3 L15-L16] and wherein the designation of the source account includes a routing/transit number and an account number (payee's routing and transfer number - RTN) [C3 L33].

Re. Claims 4-7, Deming disclose receiving the amount of the funds transfer (bill). Deming, explicitly, does not disclose receiving the amount of the funds transfer, the designation of the source account for the funds transfer, and the contact information of the receiver from the sender [C1 L5 to C3 L8]. Deming, explicitly, does not disclose the

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way the bill is received (i.e. by phone, email, web page, etc.). However, Thomas discloses these steps [C3 L14-L23]. Mail, Email, telephone, voice mail, voice over IP, on-line billing and pager are well known to one skill in the art as a common communication media used by the billers to communicate with customers, therefore one can combine the teaching of Doming and Thomas to present electronic bill information by electronic media, explained above, instead of regular mail to save time reduce cost.

Re. Claims 66, 68-70, Deming discloses an electronic fund transfer (EFT) system/method/computer from payer's account to Payee or to Payee's account using National Automated clearing House Association facility, routing and transfer number (RTN) and substantially recites claims features [see entire document particularly, Fig. 1; C1 L1 to C3 L6] and instructing the ACH member to effect ACH debits from the senders' source accounts to a third party's financial account; and instructing the ACH member to effect at least one ACH credit from the third party's financial account to the business receiver's target account for a total amount of the senders' fund transfers [C3 L13-L29]. Deming, explicitly, does not disclose receiving from the receiver the designation of the target account for receiving the funds from the sender. However, Thomas discloses this step [see entire document particularly, Abs; Figure 1, 2A, 3, 7; C3 L45 to C5 L34; C15 L1-L30]. Additionally, Chang discloses instructing the ACH member to effect ACH debits from the senders' source accounts to a third party's financial account; and instructing the ACH member to effect at least one ACH credit from the third party's financial account to the business receiver's target account for a total amount of the senders' fund

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transfers [Abstract; Figures 1A-1C, 5-6, 8B; C1 L13 to C2 L41; C4 L13-L51; C7 L45-L62; C8 L13-L38; C10 L27-L49]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Deming, Thomas and Chang to enable the payer (payor) to initiate a cost effective electronic bill payment through third party (not the payor/payee), transfer lump sum fund to target account and ACH without knowledge of a special identifier corresponding to the biller's bank and account number from a particular source account or just knowing the payee address and payee code (customer account number) and make saving by minimizing hardware/software use.

Claims 8-55, 57-65, 71-83 7 85-101 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deming in view of Thomas and Chang, as applied to claim 1 above, and further in view of Schrader et al (hereinafter Schrader, US 5,903,881).

Re. Claims 8-55 & 57-65 Deming discloses an electronic fund transfer (EFT) system/method/computer from payer's account to Payee or to Payee's account using National Automated clearing House Association facility, routing and transfer number, transaction amount, payer starts initiating EFT using PC and entering payee information (target information), identification code, description of transaction (bill identification), crediting the debiting accounts, means for verifying payers account code [Fig. 1; C1 L1 to C4 L67]. Thomas discloses electronic funds transfer and bill presentment. Both Deming and Thomas substantially recite claims features. Neither Both Deming and

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Thomas nor Chang, explicitly, disclose registering and storing list of receiver, first account balance and second account balance, insufficient fund, and POS & ATM.

However, Schrader discloses these steps [see entire document particularly, Abs; Fig. 9-12, 14-17; C1 L5-L34; C13 L65 to C14 L15; C15 L45 to C16 L39]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Deming, Thomas, Chang and Schrader to enable the payer (payers bank) make sure the payer's account has sufficient fund to be transferred and allow the payer to make payments by selecting a payee from a list of known payees using the dropdown button instead of re-entering the payee information.

Re. Claims 71-72, Deming, Thomas and Chang substantially disclose the claimed features (see Re. claims 1 & 66); therefore, Claims 71-72 are rejected under the same rational.

Re. Claims 73-83, Deming and Thomas substantially disclose the claimed features.

Neither Deming nor Thomas, explicitly, discloses receiving account activity information, querying a balance of source account and balance exceeding the amount (overdraft).

However, Schrader discloses these features [C1 L6 to C7 L15]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures of Deming, Thomas, Chang and Schrader to enable the sender to reconcile its account and avoid overdraft and excess withdrawal.

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Re. Claim 85-101, the claims contain features recited in above claims 1-66 and therefore claims 85-101 are rejected under a similar rationales.

Response to Arguments

3. a). Applicant's arguments with respect to claims 1-7, 8-58, 66-83, 85-101 have been considered but are moot in view of the new ground(s) of rejection.

b). Applicant's arguments with respect to claims 1-101 have been considered but are moot in view of the new ground(s) of rejection. Regarding Applicant's disagreement of 35 USC § 101, please, see the following for claimed invention directed to non-statutory subject matter:

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of

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whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is

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presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in Toma. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in Toma because the invention in

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State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the Toma test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1-3, 6-11, 15, 17-31, 33-37, 39-49, 52-55, 59-66, 68, 71-83, & 85-88 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The step of fund transfer could be performed manually by a person, physically doing the bookkeeping, wire transfer and delivering funds by check. The term "computer implemented" could also include doing, in-house, the bookkeeping calculation by computer instead of calculator or manually, etc.

Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts; for example: "computer is used to calculate average ..."

Conclusion

4. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

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§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

(previously provided) US Pat. 6,032,133 to Hilt et al, Feb. 29, 2000 "Electronic bill pay system". Hilt et al discloses a method for electronically paying a bill is described in which a bill pay order is forwarded to a first processor. The bill pay order includes information identifying a biller, an amount owed, and a consumer-biller account number. The method determines whether the consumer has sufficient funds to cover the amount owed, and compares the information identifying the biller to a local biller file to determine a biller financial institution identification number for a financial institution designated to receive funds for the biller. A payment message is then generated which includes information identifying the biller, the amount owed, the consumer-biller account number,

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and the biller financial institution identification number. The payment message is then forwarded to a network if the consumer has sufficient funds. The payment message is routed to the appropriate biller financial institution over the network using the biller financial institution identification number.

Chevy Chase Bank, 1996, "Chevy Chase Home Banking Chevy chase Financial Manager", discloses a QuickStart Guide for electronic fund transfer (pay bills) which enables the customer to pay the bills, transfer money from its account to payee with/without knowing payees bank (financial institution) account number. Note, examiner has an account with Chevy Chase and uses this feature him self.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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Harish T Dass H7D

Examiner

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3/1/04


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